

## REMARKS

Claims 1-20 are pending and are rejected under 35 U.S.C. §103(a) as being unpatentable over *Tushie* et al. (U.S. Pat. No. 6,014,748) in view of *Harms* et al. (U.S. Pat. No. 6,070,147), and further in view of *Anderson* et al. (U.S. Pat. No. 5,884,289). Claims 1 and 11 are amended.

In the previous response, claims 1 and 11 were amended to recite specific examples of smart card features, including:

- 1) account feature data associated with account usage,
- 2) authorization control feature data providing instructions relating to risk management checks, and
- 3) low-value payment feature for rapid transaction processing.

The claims have now been amended to recite that a smart card feature is a high-level instruction dictated by a smart card issuer that allows a smart card to operate various environments as if the issuer were exerting direct control over the use of the smart card. As discussed in the previous amendment, one aspect of the present invention is the ability to process and personalize smart card features in a batch of smart cards. Examples of the term “smart card features,” as recited in claims 1 and 11 are provided in the specification on pages 18 to 27. The term is not limited to cardholder data or to data security and integrity. These amendments have been made to further clarify the meaning of “smart card features.” These features allow a smart card to operate as if the issuer were exerting direct control during the transaction.

The Office Action asserts that the account feature data associated with account usage limitation of the claimed invention is disclosed in the *Anderson* reference. However, Applicant was not able to find any mention of an account usage feature in the reference. The Office Action also asserts that *Anderson* discloses the authorization control feature data providing instructions relating to risk management checks limitation of the claimed invention. The reference discloses fraud detection and control, and discusses cardholders who may be at risk of additional fraudulent transactions.

The Office Action states that account name and account number as disclosed in the *Tushie* reference teaches smart card features. The account number, account name, and other data relating to a cardholder’s account are not default values for smart card features. The term

“feature” as used in the context of the claimed invention is not equivalent to account-related data or information. As the claims recite, they are management instructions dictated by a smart card issuer that allows a smart card to operate in a variety of environments.

Reconsideration of this application and issuance of a Notice of Allowance at an early date are respectfully requested. If the Examiner believes a telephone conference would in any way expedite prosecution, please do not hesitate to telephone the undersigned at (612) 252-3335.

Respectfully submitted,  
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